

working together, a bipartisan strategy that will let us, together, tap the full potential of real health care reform. That potential is for holding down costs, getting more value for our health care dollar, and, finally, achieving quality, affordable health coverage for all Americans.

I offer this thought because I have long felt both parties have valid views on this topic. I believe our party is absolutely right in saying you cannot fix American health care unless all Americans get good-quality, affordable coverage. If you don't do that, too often uninsured folks will shift their bills to insured folks, there won't be enough prevention, and you won't be in a position to get the most value for the health care dollar.

I continue to believe our colleagues on the other side of the aisle have valid points as well. They make valid points about the role of marketplace forces, the role of competition, the role of choice.

There has to be a way in the days ahead—one of the things that has pleased me is Chairman BAUCUS has said we are going to have a lot of oversight hearings and a lot of work in the days ahead to actually implement this. None of us think we can create a new health care marketplace where there hasn't been one for 70 years in a matter of minutes. So I am very pleased Chairman BAUCUS has indicated we will be doing a lot of the painstaking oversight work in the days ahead to actually implement this transformation in American health care, and I think the chairman knows I will be his partner in those efforts to get this implemented.

So after a year of tough financial hardships, let's find a way to bring to this Senate floor bipartisanship, common sense, and the good will that is public service at its best.

I close by saying that I look forward to working with the chairman of the Finance Committee, who I know shares these views as well.

With that, Mr. President, I yield the floor.

Mr. BAUCUS. Mr. President, I wish to thank the Senator from Oregon for many reasons, one of which is his kind words, which are really appreciated but, much more important than that, his long dedication to health care reform. He even worked for the Gray Panthers way back before he came here. I remember the name RON WYDEN, Gray Panthers, a good number of years ago. Then, lo and behold, both Houses of Congress together—we worked together on reforming Medigap coverage. It was an outrage. Today we talk about medical loss ratios of maybe 80 percent, 85 percent, up to 90 percent, and so forth. I can remember back when it was an outrage, the degree to which Medigap insurance coverage had medical loss ratios of not 80 percent, not 70 percent, not 60 percent; it would be below 50 percent. Insurance companies were selling insurance to seniors trying to cover that gap be-

tween what Medicare would and would not cover, and just tragically low, embarrassingly low, outrageously low medical loss ratios.

Senator WYDEN and I got together and got legislation passed to reform the Medigap market—to make Medigap insurance plans more fair. They were ripping seniors off, there was no doubt about it, and we got that changed.

Now, on health care reform, an ardent advocate of more competition, more choice in our health care system—it is clear we need more competition. It is clear we need more choice. On the competition side, in many of our States we find there is only one or two insurance companies that dominate the entire State. That is very true around our country. There is just not the competition there should be.

In addition, there is not the choice. A lot of employees would like to have more choice among insurance companies in their kinds of policies, and so on and so forth. We have a system where most employees are tied to their employer; it is pretty much insurance coverage the employer offers.

If we were starting from scratch maybe 20, 30, 40, 60, maybe 80 years ago, we may not have had such an employer-based system as we have today. Our current Tax Code also tends to encourage excessive insurance coverage because of our employer-based system.

Anyway, I am digressing. Senator WYDEN got us thinking a lot earlier about the problems that caused, and, frankly, I think he is right. I think a lot of Americans think he is right. You can only take things a step at a time here, and we are probably not going nearly as far as the Senator from Oregon wishes to go. But I thank him. He is there, he is dogged, and he works hard on behalf of seniors. He is an advocate of American consumers, respected by health insurance companies, not letting the companies take advantage of citizens. I thank the Senator for that.

I do not see any Senators on the floor on our side. If there were, it would be a good time for them to speak. Pending the arrival of the Democratic Senators, let me say a few things about small business.

Clearly, one of the goals of health care reform is to ensure that employees of small businesses have good, quality, affordable health care options. We all know that is clear. I have talked to small businesspeople.

I will never forget a conversation I had with a logger who has four or five or six people working for him. It was about 2 or 3 years ago. I asked him if he had health insurance. He said, yes, for his family—his wife and himself.

I asked: How about your employees? He said, no; he didn't. You could tell he wanted to, and he wasn't just blowing smoke. He clearly wanted to provide insurance for his employees, but it just pained him because it was too expensive.

We all hear stories like that; they are legion. I can remember talking to an-

other small businessman in my State of Montana, a contractor, who has 5, 6, 8, 10, people working for him. He is just beside himself because the insurance company told him his premiums are going to go up 40 percent next year.

He said: Max, I can't deal with that. I asked: Why are they going up 40 percent?

He said: Well, they found a pre-existing condition with respect to one of my employees. He said: Max, I was beside myself. I can't afford a 40-percent increase. They said it would only be a 20-percent increase if I let him go. But he has been with me 15, 20 years and is one of my best employees. I can't let him go.

He found another carrier and kept his employee. So he did find another insurance carrier, but he had to pay about a 20-percent increase in premiums. He was able to keep his employee, but that is just wrong. It is so hard for small businesses to provide health insurance to their employees. I know it is a trite thing to say, but most jobs in our country are created by small businessmen. That is where most of the jobs are, and it is where most of the creativity is. That is, in many cases, where the greatest need is to help encourage entrepreneurship, American ingenuity, and where a small businessperson can do a good job with the service he is providing.

Last year, 62 percent of small businesses did offer health insurance to their employees. Compare that with other companies that have, say, 200 employees. Among all companies in America that have 200 or more employees, 99 percent of them have offered their employees health insurance. Contrast 62 percent of small businesses offer health insurance and 99 percent of businesses with more than 200 employees offer health insurance.

Among the very small businesses in our country it is lower, lower than 69 percent. Now it is only 49 percent—a very small number of employees—that have health insurance through their small business employer. There are clearly very significant reasons for that. There are barriers that prevent small businesses from finding affordable health insurance options. What are they?

Small businesspeople tell us the main reason—at least one of them—is that the premiums are just too high. I mentioned an example of the contractor I talked with in my State, who said they are going to charge a 40-percent increase in premiums as further evidence that premiums are too high. It is understandable that is one of the main reasons small businesses can't get health insurance.

In the past 10 years, premiums have risen 82 percent for single workers and 93 percent for families employed by small business—virtually doubled premiums in the last 10 years if you are a single person and work for a very small business. That is not true for big business.